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Statement of Rep. Henry A. Waxman Subcommittee on Civil Service and Agency Organization Hearing on "Transforming the Defense Department: Exploring the Merits of the Proposed National Security Personnel System"

April 29, 2003

Madam Chairwoman, I'd like to thank you for holding this hearing.

Without question, the Administration's proposal to rewrite the rules for civilian employees at the Department of Defense is an important issue and one that merits careful consideration by our Committee. That's why I was troubled to learn last week that the bill to exempt the Department from the civil service laws was to be rushed through the Committee tomorrow, just one day after the introduction of the legislation. The markup has now been delayed one day. That's helpful, but it's still not the right way to consider a piece of legislation that will directly affect almost 700,000 civilian employees at the Department of Defense and indirectly affect two million other federal employees.

At Volcker Commission hearing last month, I read a quote from Thomas Friedman, a columnist with the *New York Times*. Mr. Friedman's quote is worth keeping in mind, as we consider reforming the civil service system. Mr. Friedman wrote: -- Quote -- "[O]ur federal bureaucrats are to capitalism what the New York Police and Fire Departments were to 9/11 – the unsung guardians of America's civic religion, the religion that says if you work hard and play by the rules, you'll get rewarded and you won't get ripped off. . . . [S]o much of America's moral authority to lead the world derives from the decency of our government and its bureaucrats, and the example we set for others. . . . They are things to be cherished, strengthened and praised every single day."

Unfortunately, the Bush Administration has hardly done its part to "cherish, strengthen, and praise" federal employees. Since day one of this Administration, there has been a relentless attack on the civil service. Federal jobs have been given to private contractors who are often unsupervised and unable to perform the jobs as efficiently or effectively. Attempts have been made to slash annual pay increases for federal employees. Financial bonuses have been given to political appointees, instead of career employees.

And now, we have an effort by the Administration to completely strip federal employees of basic civil service protections.

It's incredible that the group of employees who the Administration has chosen to target this time are Defense Department employees. These are the same employees who saw terrorists crash an airplane into their headquarters. These are the same employees who made enormous sacrifices to support the military effort in Iraq.

What's truly remarkable is the sweeping nature of the bill before us. It gives the Secretary of Defense a blank check to undo, in whole or in part, many of the civil service laws in the United States Code. These provisions have been adopted over the past century to ensure that our federal government did not become a patronage system.

This bill goes well beyond the flexibilities that Congress gave the Homeland Security Department last year. Among other things, this bill:

- Gives supervisors complete discretion to set salaries and allocate raises;
- Removes the statutory requirement that layoffs be based on performance and seniority, rather than favoritsm;
- Allows DoD to require employees to work overtime or on holidays and weekends without any additional pay;
- Denies employees their current right to appeal unfair treatment to the Merit Systems Protection Board; and
- Strips employees of their collective bargaining rights.

The Administration will say that I've distorted what they're planning to do. But read their bill. Everything I've suggested is possible, because the bill before us is a blank check. We don't know what the Defense Department is going to do. DoD is asking to be exempted from the civil service laws but isn't telling us what kind of personnel system it's going to adopt.

Given the Bush Administration's track record on civil service issues, there's no reason to think that DoD's new system will be a fair one. There's also no reason to think the new personnel system will be a good one. Last month, GAO issued a report summarizing its review of DoD's civilian strategic plan – presumably a blueprint for any personnel system that DoD might adopt. GAO found the plan to be completely lacking. That hardly inspires confidence for what DoD might do if we give them this authority.

As I said at the full Committee hearing last month, I believe that we should be considering civil service reforms. But this is not the way to do it. I urge my colleagues to slow down this runaway legislative train and give this bill more careful consideration.

Thank you.